

# **MEETING OF THE MASSACHUSETTS CLEAN WATER TRUST BOARD OF TRUSTEES**

June 5, 2019

1:30 PM

1 Center Plaza, Suite 430  
Boston, Massachusetts

## **Minutes**

**Attendees:** James MacDonald, First Deputy Treasurer, Designee  
Martin Suuberg, Commissioner of MassDEP  
Maya Jonas-Silver, Director of Capital Planning and Long-Term Obligations,  
Executive Office of Administration and Finance, Designee

**Also Present:** Susan Perez, Executive Director, MCWT  
Nate Keenan, Deputy Director, MCWT  
My Tran, Treasurer, MCWT  
Sally Peacock, Controller, MCWT  
Joshua Derouen, Program Associate, MCWT  
Maria Pinaud, Director of Municipal Services, MassDEP  
Emily Kowtoniuk, Deputy Legislative Director, Office of the State Treasurer

**CALL TO ORDER:** The meeting was called to order by Mr. MacDonald at 1:32 p.m.

Item #1 **MOTION- VOTE**

**Acceptance and Approval of May 8, 2019 Minutes**

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on May 8, 2019.

Item #2 **REPORT OF THE EXECUTIVE COMMITTEE**

Ms. Perez discussed that the Trust is aware of the situation at the Cherry Valley & Rochdale Water District (“the District”). The District has yet to vote on its Fiscal Year 2020 budget and without a budget, the District may not be able to make Trust loan repayments or repayments on their federal loans. The District owes the Trust approximately \$55,000 in loan repayments that are due on July 15<sup>th</sup>.

The District has the opportunity to vote on their FY 2020 budget on June 6<sup>th</sup> and again on June 20<sup>th</sup> if necessary. The Trust will continue to monitor the situation and report back to the Board as necessary.

Item #3

**MOTION- VOTE**

The motion was made by Commissioner Suuberg and seconded by Ms. Jonas-Silver.

Ms. Perez stated that it is typical for there to be a motion requesting a vote for an interim budget to cover the first two months, or, 1/6<sup>th</sup> of the new fiscal year. The amount would be based on the prior year's budget. The reason for the delay is due to timing with the release of the Commonwealth's budget. The Trust anticipates having a motion requesting a vote for its budget during the August Board meeting.

The motion was voted unanimously in favor of acceptance and approval of the following:

***That as an Interim budget for the fiscal year beginning July 1, 2019***

1. The Massachusetts Clean Water Trust may expend 1/6 of the amount authorized for the fiscal year 2019 budget from the Administrative Fund for the administration of the programs of the Trust during the interim period between July 1, 2019 and August 31, 2019; and
2. The Massachusetts Clean Water Trust may transfer to the Department of Environmental Protection up to an amount equal to 1/6 of the fiscal year 2019 budget for the Department approved by the Trust, from the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, for the administration of the State Revolving Fund programs during the interim period between July 1, 2019 and August 31, 2019.

Item #4

**MOTION- VOTE**

The motion was made by Commissioner Suuberg and seconded by Ms. Jonas-Silver.

Ms. Perez stated this vote will allow the Trust to fund costs with the Administrative Expense Fund rather than the federal Set-Asides from the grant to allow more funds to be used for projects, creating more capacity in the Drinking Water Program. The same vote was taken last year.

The motion was voted unanimously in favor of acceptance and approval of the following:

***Approval of Funding Aspects of the Drinking Water Program Through the Administrative Expense Fund***

That in lieu of funding portions of Drinking Water program through 'set-asides' from the federal Drinking Water grants received by the Trust, the Trust may instead provide a portion of such funding from the Administrative Expense Fund established under the Master Trust Agreement between the Trust and U.S. Bank National Association, as Master Trustee; provided, that the amount of funding shall be decided by the Executive Committee as an appropriate amount to expend from the Administrative Expense Fund, and further to authorize the Executive Director to take all actions necessary to effectuate this vote.

Item #5

**MOTION- VOTE**

The motion was made by Commissioner Suuberg and seconded by Ms. Jonas-Silver.

Ms. Perez said that the Asset Management Grant Program (“the Program”) started last year. A number of applications have been received and projects under the Program have been proceeding. This vote will allow the Trust to continue to fund the program on the 2020 Intended Use Plan.

The motion was voted unanimously in favor of acceptance and approval of the following:

***Authorize up to \$2 million for the Asset Management Grant Program for the 2020 IUP Solicitation***

The Trust designates up to \$2 million, from the unrestricted funds on deposit in the Equity Funds under the Master Trust Agreement, to offer a continuation of the Asset Management Grant Program on the 2020 IUP Solicitation.

Item #6

**MOTION- VOTE**

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg.

Ms. Perez said that there was a cash defeasance last year and executing a cash defeasance again this year will be the best investment for the Trust’s program equity. The defeasance will also allow the Trust to transfer a US Treasury portfolio from the debt service reserve fund of the defeased bonds to the Clean Water Equity Fund. The defeasance would save the Trust approximately \$55 million and that bidding for a defeasance escrow could start later on June 5<sup>th</sup> if the Board votes to approve this motion.

The motion was voted unanimously in favor of acceptance and approval of the following:

***Approval of a Cash Defeasance of maturities in Series 14***

That the Executive Director of the Trust is hereby authorized to defease all or a portion of the outstanding Series 14 Bonds with the Trust’s equity funds and is further authorized to perform all actions necessary or convenient to effectuate this vote.

Item #7

**MOTION- VOTE**

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

***Drinking Water Loan Commitments***

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
DW-18-11	Brockton	\$3,694,720 <sup>1</sup>	2%
DW-18-03	Gloucester	\$2,100,000 <sup>2</sup>	2%
DW-18-13	Spencer	\$2,205,175 <sup>3</sup>	2%

Item #8

**MOTION- VOTE**

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

***Clean Water Loans/ Local Government Obligations and Financing Agreements***

<b><u>PRA No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
CWP-18-42	Brockton	\$5,761,750	2%
CWP-18-11 <sup>4</sup>	Goshen	\$655,000	2%
CWP-18-27	Revere	\$1,664,833	2%
CW-18-17	Tyngsborough	\$11,242,632	2%

Item #9

**MOTION- VOTE**

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

***Drinking Water Loans/ Local Government Obligations and Financing Agreements***

<b><u>PRA No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
DWP-18-11	Brockton	\$3,694,720	2%
DWP-18-05	Dartmouth	\$1,297,895	2%
DWP-18-03	Gloucester	\$2,100,000 <sup>5</sup>	2%
DWP-18-13	Spencer	\$2,205,175	2%

**OTHER BUSINESS:** Mr. MacDonald stated that he is optimistic that \$5 million will be available for school water bottle filling stations in the Fiscal Year 2020 Commonwealth of Massachusetts budget.

**ADJOURN:** The motion was made by Commissioner Suuberg and seconded by Ms. Jonas-Silver and voted unanimously in favor of adjourning the meeting at 1:47 p.m.

**LIST OF DOCUMENTS AND EXHIBITS USED:**

1. Agenda
2. Minutes, May 8, 2019
3. Series 14 Cash Defeasance Opportunity Presentation
4. Project Descriptions

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<sup>1</sup> First Revision: Previous PAC amount was \$3,130,000

<sup>2</sup> First Revision: Previous PAC amount was \$1,500,000

<sup>3</sup> First Revision: Previous PAC amount was \$2,123,115

<sup>4</sup> The PRA is being re-voted to reflect a numbering modification. The original PRA was voted on October 3, 2018.

<sup>5</sup> First Revision: Previous PRA amount was \$1,500,000